

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

| | | |
|----------------------------------------------------------|---|-------------------------|
| In re: |) | Chapter 11 |
| SEARS HOLDINGS CORPORATION, <i>et al.</i> , ¹ |) | Case No. 18-23538 (RDD) |
| Debtors. |) | (Jointly Administered) |

**MONTHLY FEE STATEMENT OF PRIME CLERK LLC, AS
ADMINISTRATIVE AGENT TO THE DEBTORS, FOR THE
PERIOD FROM JUNE 1, 2020 THROUGH JUNE 30, 2020**

By this monthly fee statement (the “**Statement**”), pursuant to sections 327, 330 and 331 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 2016-1 of the Local Rules of the United States Bankruptcy Court for the Southern District of New York (the “**Local Bankruptcy Rules**”), Prime Clerk LLC (“**Prime Clerk**”), administrative agent to the above captioned debtors and debtors in possession (collectively, the “**Debtors**”), hereby seeks compensation and reimbursement for reasonable and necessary fees and expenses incurred for the period from June

¹The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

1, 2020 through June 30, 2020 (the “**Statement Period**”). In accordance with the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Docket No. 796] (the “**Compensation Order**”), Prime Clerk seeks (i) allowance of reasonable and necessary fees incurred during the Statement Period in an amount equal to \$495.88 and payment of \$396.70, which represents 80% of the total amount, and (ii) reimbursement of actual, reasonable and necessary expenses incurred during the Statement Period in an amount equal to \$0.00. In support of the Statement, Prime Clerk respectfully represents as follows:

| | |
|----------------------------------------------------------------------------|------------------------------------------------------------|
| Name of Professional: | Prime Clerk LLC |
| Authorized to Provide Administrative Agent Services to: | Debtors and Debtors in Possession |
| Date of Retention: | November 19, 2018 <i>nunc pro tunc</i> to October 15, 2018 |
| Period for which compensation and reimbursement is sought: | June 1, 2020 through June 30, 2020 |
| Amount of compensation sought as actual, reasonable and necessary: | \$495.88 ² |
| 80% of compensation sought as actual, reasonable and necessary: | \$396.70 |
| Amount of expense reimbursement sought as actual, reasonable and necessary | \$0.00 |
| Total amount to be paid at this time: | \$396.70 |

² In accordance with the Compensation Order, at the expiration of the Objection Deadline (as defined in the Compensation Order), the Debtors are authorized to promptly pay 80% of the fees and 100% of the expenses identified in the Statement to which no Objection (as defined in the Compensation Order) has been served.

Prior Monthly Statements

| Date Filed; Docket No. | Period Covered | Requested | | Approved | | Holdback (20%) |
|-----------------------------------|------------------------------------------------|--------------------------------------------------|-----------------|------------------------------------|-----------------|---------------------------|
| | | Fees | Expenses | Fees | Expenses | |
| 4/15/19; Docket No. 3193 | 10/15/18 – 11/30/18; 2/1/19 – 3/31/19 | \$6,493.55 | \$0.00 | \$6,493.55 | \$0.00 | N/A |
| 5/23/19; Docket No. 4013 | 4/1/19 – 4/30/19 | \$2,223.55 | \$0.00 | \$2,223.55 | \$0.00 | N/A |
| 6/28/18; Docket No. 4393 | 5/1/19 – 5/31/19 | \$14,577.85 | \$0.00 | \$14,577.85 | \$0.00 | N/A |
| 7/30/19; Docket No. 4654 | 6/1/19 – 6/30/19 | \$8,266.65 | \$0.00 | \$8,266.65 | \$0.00 | N/A |
| 8/30/19; Docket No. 5039 | 7/1/19 – 7/31/19 | \$207,219.25 | \$1,149.47 | \$207,219.25 | \$1,149.47 | N/A |
| 9/27/19; Docket No. 5245 | 8/1/19 – 8/31/19 | \$150,629.50 | \$2,160.76 | \$150,629.50 | \$2,160.76 | N/A |
| 10/30/19; Docket No. 5530 | 9/1/19 – 9/30/19 | \$56,787.85 | \$1,174.35 | \$56,787.85 | \$1,174.35 | N/A |
| 11/27/19; Docket No. 6107 | 10/1/19 – 10/31/19 | \$31, 623.90 | \$316.88 | \$31, 623.90 | \$316.88 | N/A |
| 12/13/19; Docket No. 6205 | 11/1/19 – 11/30/19 | \$109,336.15 | \$640.92 | \$109,336.15 | \$640.92 | N/A |
| 1/30/20; Docket No. 6795 | 12/1/19 – 12/31/19 | \$76,064.80 | \$142.55 | \$76,064.80 | \$142.55 | N/A |
| 2/20/20; Docket No. 7312 | 1/1/20 – 1/31/20 | \$9,838.67 | \$0.00 | \$9,838.67 | \$0.00 | N/A |
| 3/23/20; Docket No. 7504 | 2/1/20 – 2/29/20 | \$4,583.81 | \$30.00 | \$4,583.81 | \$30.00 | N/A |
| 4/20/20; Docket No. 7833 | 3/1/20 – 3/31/20 | \$2,220.68 (payment of 80% or \$396.70) | \$0.00 | \$396.70 (80% of \$2,220.68) | \$0.00 | \$444.14 |

| | | | | | | |
|-----------------------------|---------------------|----------------------------------------------------|--------|--------------------------------------|--------|----------|
| 6/25/20; Docket No. 8051 | 4/1/20 – 5/31/20 | \$1,693.22 (payment of 80% or \$1,354.48) | \$0.00 | \$1,354.58 (80% of \$1,693.22) | \$0.00 | \$338.64 |
|-----------------------------|---------------------|----------------------------------------------------|--------|--------------------------------------|--------|----------|

Prior Interim Applications

| Date Filed; Docket No. | Period Covered | Requested | | Approved | |
|------------------------------|-----------------------|---------------------|-------------------|---------------------|-------------------|
| | | Fees | Expenses | Fees | Expenses |
| 4/15/19; Docket No. 3196 | 10/15/18 – 2/28/19 | \$981.75 | \$0.00 | \$981.75 | \$0.00 |
| 8/14/19; Docket No. 4840 | 3/1/19 – 6/30/19 | \$30,579.85 | \$0.00 | \$30,579.85 | \$0.00 |
| 12/13/19; Docket No. 6214 | 7/1/19 – 10/31/19 | \$446,260.50 | \$4,801.46 | \$446,260.50 | \$4,801.46 |
| 4/14/20; Docket No. 7814 | 11/1/19 – 2/29/20 | \$199,823.43 | \$813.47 | \$199,823.43 | \$813.47 |
| Total | | \$677,645.53 | \$5,614.93 | \$677,645.53 | \$5,614.93 |

Summary of Hours Billed by Prime Clerk Employees During the Statement Period

| Employee Name | Title | Total Hours | Rate | Total |
|--------------------|-------------------------|----------------|-----------------|-----------------------------|
| Allen, Richard M | Director | 1.00 | \$242.00 | \$242.00 |
| Brunswick, Gabriel | Director | 1.00 | \$242.00 | \$242.00 |
| Weiner, Shira D | Director | 0.20 | \$242.00 | \$48.40 |
| Kesler, Stanislav | Solicitation Consultant | 0.50 | \$236.50 | \$118.25 |
| Pagan, Chanel C | Consultant | 0.30 | \$192.50 | \$57.75 |
| | TOTAL | 3.00 | | \$708.40³ |
| | BLENDED RATE | | \$236.13 | |

Summary of Fees Billed by Subject Matter During the Statement Period

| Matter Description | Total Hours | Total |
|-----------------------------|-------------|-----------------------------|
| Corporate Actions | 0.50 | \$118.25 |
| Disbursements | 1.00 | \$242.00 |
| Retention / Fee Application | 1.50 | 348.15 |
| TOTAL | 3.00 | \$708.40⁴ |

^{3, 4} This amount has been discounted to \$495.88 in accordance with the terms of Prime Clerk's retention. Taking into account this discount, the blended hourly rate is \$165.29.

Summary of Expenses Incurred by Prime Clerk Employee During the Statement Period

| Description | Total |
|--------------|---------------|
| N/A | \$0.00 |
| TOTAL | \$0.00 |

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Jurisdiction

1. The United States Bankruptcy Court for the Southern District of New York (the “**Court**”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the Amended Standing Order of Reference of the United States District Court for the Southern District of New York, dated January 31, 2012 (Preska, C.J.). This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. The predicates for the relief requested herein are sections 327, 330 and 331 of the Bankruptcy Code, Bankruptcy Rule 2016 and the Local Bankruptcy Rules.

Background

2. On October 15, 2018 (the “**Commencement Date**”), each of the Debtors filed a voluntary petition with the Court under chapter 11 of the Bankruptcy Code. The Debtors are operating their business and managing their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On October 16, 2018, this Court entered an order jointly administering these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). An official committee of unsecured creditors was appointed in these chapter 11 cases on October 24, 2018. On April 22, 2019, the Court entered an order appointing an independent fee examiner [Docket No. 3307].

Retention of Prime Clerk

3. On November 19, 2018, the Court entered the *Order Pursuant to 11 U.S.C. § 327(a), Bankruptcy Rules 2014(a) and 2016(a), and Local Rules 2014-1 and 2016-1 Authorizing Retention and Employment of Prime Clerk LLC as Administrative Agent for the Debtors Nunc Pro Tunc to the Commencement Date* [Docket No. 812], which authorized the Debtors to employ and retain Prime Clerk as administrative agent *nunc pro tunc* to the Commencement Date in these chapter 11 cases.

Relief Requested

4. Prime Clerk submits this Statement in accordance with the Compensation Order. All services for which Prime Clerk requests compensation were performed for, or on behalf of, the Debtors.

5. Prime Clerk seeks (i) allowance of reasonable and necessary fees incurred during the Statement Period in the total amount of \$495.88 and payment of \$396.70, which represents 80% of the total amount, and (ii) reimbursement of actual, reasonable and necessary expenses incurred during the Statement Period in the amount of \$0.00.

6. Prime Clerk maintains computerized records of the time spent by employees of Prime Clerk in connection with its role as administrative agent to the Debtors. In that regard, **Exhibit A**: (i) identifies the employee that rendered services in each task category; (ii) describes each service such employee performed; (iii) sets forth the number of hours in increments of one-tenth of an hour spent by each individual providing services; and (iv) as applicable, sets forth the type of expenses incurred. **Exhibit B** hereto sets forth the type of expenses incurred by each Prime Clerk employee during the Statement Period, if any. In addition, Prime Clerk's hourly rates are set at a level designed to fairly compensate Prime Clerk for the work of its employees and cover routine overhead expenses. Hourly rates vary with the experience and seniority of the individuals assigned and are subject to periodic adjustments to reflect economic and other conditions.

7. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, the amount of fees requested is fair and reasonable given: (i) the complexity of these cases, (ii) the time expended, (iii) the rates charged for such services, (iv) the nature and extent of the services rendered, (v) the value of such services and (vi) the costs of comparable services other than in a case under this title.

Notice

8. Pursuant to the Compensation Order, this Statement will be served upon the Notice Parties (as defined in the Compensation Order). Prime Clerk submits, in light of the relief requested, no other or further notice is necessary.

Conclusion

9. WHEREFORE, pursuant to the Compensation Order, Prime Clerk respectfully requests (i) allowance of reasonable and necessary fees for the Statement Period in the total amount of \$495.88 and payment of \$396.70, which represents 80% of the total amount, and (ii) reimbursement of actual, reasonable and necessary expenses incurred during the Statement Period in the amount of \$0.00.

Dated: August 5, 2020
New York, New York

Prime Clerk LLC

/s/ Shira D. Weiner
Shira D. Weiner
General Counsel
One Grand Central Place
60 East 42nd Street, Suite 1440
New York, NY 10165
Telephone: (212) 257-5450
Email: sweiner@primeclerk.com

Administrative Agent to the Debtors

Exhibit A

Fee Detail



One Grand Central Place
60 East 42nd Street, Suite 1440
New York, NY 10165

primeclerk.com

Hourly Fees by Employee through June 2020

| <u>Initial</u> | <u>Employee Name</u> | <u>Title</u> | <u>Hours</u> | <u>Rate</u> | <u>Total</u> |
|----------------|----------------------|------------------------------|--------------|-------------|-----------------|
| CCP | Pagan, Chanel C | CO - Consultant | 0.30 | \$192.50 | \$57.75 |
| STK | Kesler, Stanislav | SA - Solicitation Consultant | 0.50 | \$236.50 | \$118.25 |
| RMA | Allen, Richard M | DI - Director | 1.00 | \$242.00 | \$242.00 |
| GB | Brunswick, Gabriel | DI - Director | 1.00 | \$242.00 | \$242.00 |
| SW | Weiner, Shira D | DI - Director | 0.20 | \$242.00 | \$48.40 |
| TOTAL: | | | 3.00 | | \$708.40 |

Hourly Fees by Task Code through June 2020

| <u>Task Code</u> | <u>Task Code Description</u> | <u>Hours</u> | <u>Total</u> |
|------------------|------------------------------|--------------|-----------------|
| CORP | Corporate Actions | 0.50 | \$118.25 |
| DISB | Disbursements | 1.00 | \$242.00 |
| RETN | Retention / Fee Application | 1.50 | \$348.15 |
| TOTAL: | | 3.00 | \$708.40 |

Sears Holdings Corporation

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Invoice #: 12723

Time Detail

| <u>Date</u> | <u>Emp</u> | <u>Title</u> | <u>Description</u> | <u>Task</u> | <u>Hours</u> |
|--------------------|-------------------|---------------------|-----------------------------------------------------------------------------------------|-----------------------------|---------------------|
| 06/17/20 | GB | DI | Telephonically attend interim fee application hearing | Retention / Fee Application | 0.40 |
| 06/17/20 | STK | SA | Review and respond to inquiry from M. Buschmann (WGM) related to opt-in / opt-out event | Corporate Actions | 0.50 |
| 06/22/20 | GB | DI | Draft monthly fee statement | Retention / Fee Application | 0.60 |
| 06/25/20 | CCP | CO | Review and file monthly fee application | Retention / Fee Application | 0.30 |
| 06/25/20 | SW | DI | Review and revise monthly fee statement | Retention / Fee Application | 0.20 |
| 06/27/20 | RMA | DI | Quality assurance review of e-ballot identifiers against upcoming distribution list | Disbursements | 1.00 |
| Total Hours | | | | | 3.00 |

Exhibit B

Detail of Expenses Incurred by Prime Clerk Employees During the Statement Period

| Description | Total |
|--------------|---------------|
| N/A | \$0.00 |
| TOTAL | \$0.00 |